

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF CLINE PRODUCTION COMPANY FOR AN ORDER DELINEATING A FIELD FOR NOTICE PURPOSES UNDER BOARD RULE 36.22.601(1)(A) AND (B); PROVIDING FOR THE OPERATION AS A UNIT OF AN AREA TO BE KNOWN AS THE "RAYMOND-COFFEE TYLER UNIT"; APPROVING OR PRESCRIBING A PLAN OF UNIT OPERATIONS THEREFORE, APPROVING A UNIT AGREEMENT AND A UNIT OPERATING AGREEMENT FOR THE UNIT OPERATION THEREOF; AUTHORIZING THE CONDUCTING OF A WATERFLOOD INJECTION PROGRAM (SECONDARY RECOVERY) IN THE PROPOSED UNIT AREA; AND VACATING EXISTING SPACING ORDERS RELATED THERETO (EXCEPT THAT NO WELL SHALL BE LOCATED CLOSER THAN 220' TO THE UNIT BOUNDARIES). THE PROPOSED UNIT INCLUDES THE FOLLOWING DESCRIBED LANDS:

ORDER 37-2020

TOWNSHIP 12 NORTH - RANGE 32 EAST, MPM  
SECTION 25: S½N½, S½  
SECTION 26: SE¼  
SECTION 35: NE¼  
ROSEBUD COUNTY, MONTANA  
CONTAINING 800.00 ACRES, MORE OR LESS

Docket No. 43-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Don Lee, attorney, Mac Clark, Petroleum Geologist, and Fred Cline, Petroleum Engineer appeared on behalf of Cline Production Company (Cline).
3. Don Lee stated at the hearing that the 60-day notice required under Section 82-11-204, MCA, had been waived by all persons known to applicant as owning an interest in the oil and gas within the proposed unit area.

BOARD ORDER NO. 37-2020

4. The proposed unit area is composed of the Tyler "A" Sand Formation underlying the following described lands in Rosebud County, Montana:

TOWNSHIP 12 NORTH - RANGE 32 EAST, MPM  
SECTION 25: S½N½, S½  
SECTION 26: SE¼  
SECTION 35: NE¼  
ROSEBUD COUNTY, MONTANA  
CONTAINING 800.00 ACRES, MORE OR LESS

5. The waterflood project proposed is that of injecting water into the Tyler "A" Sand Formation underlying said unit area.

6. The primary energy of the reservoir has been substantially depleted and secondary recovery by water injection is feasible and reasonably necessary to increase the ultimate recovery of oil and gas. The inauguration and conduct of the waterflood injection program such as that proposed by application will result in the recovery of a substantial amount of additional oil which would otherwise remain in place.

7. The plan for unit operations has been approved by 100% of the working interest owners and 100% of the interests that are free of cost.

8. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of Section 82-11 Part 2 and Section ARM 36.22.1229 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Cline Production Company for an order delineating a field and providing for the operation as a unit of the Tyler "A" Sand Formation underlying the lands described in paragraph 4 of the Findings of Fact is approved. The unit agreement and unit operating agreement placed in evidence by Cline Production Company shall comprise the plan of operations for such unit. Said unit shall be named the Raymond-Coffee Tyler Unit.

IT IS FURTHER ORDERED that the applicant may drill or utilize additional wells as necessary to operate its waterflood project. The existing spacing orders governing Tyler "A" Sand Formation wells within the boundaries of the unit are waived but no well may be drilled closer than 330 feet to the exterior boundaries of said unit. Drilling permits for locations within the unit boundaries shall be subject to administrative authorization by the Board's staff without additional public notice.

IT IS FURTHER ORDERED that this order is effective October 1, 2020.

BOARD ORDER NO. 37-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF CLINE PRODUCTION COMPANY TO CONVERT THE COFFEE 16-26 WELL (API #25-087-21651) LOCATED IN THE SE¼SE¼ OF SECTION 26, T12N-R32E, ROSEBUD COUNTY, MONTANA (RATTLER BUTTE FIELD) TO AN ENHANCED RECOVERY INJECTION WELL IN THE TYLER A SAND AT A DEPTH OF APPROXIMATELY 5,330 FT. AN AQUIFER EXEMPTION HAS BEEN REQUESTED SINCE THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 38-2020

Docket No. 44-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of Section ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that Cline Production Company is authorized to convert the Coffee 16-26 well (API # 25-087-21651) in the SE¼SE¼ of Section 26, T12N-R32E, Rosebud County, Montana, to an enhanced recovery injection well in the Tyler A Sand Formation at a depth of approximately 5,330 feet, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 38-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF PRIMA EXPLORATION, INC. TO AMEND BOARD ORDER 108-2019 WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24 T25N-R58E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, TO REQUIRE OPERATIONS FOR THE DRILLING OF SUCH WELLS MUST BE COMMENCED NOT LATER THAN DECEMBER 5, 2021.

ORDER 39-2020

Docket No. 45-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 108-2019 is hereby amended to provide that drilling operations must commence not later than December 5, 2021.

BOARD ORDER NO. 39-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF PRIMA EXPLORATION, INC. TO AMEND BOARD ORDER 109-2019 WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 18 AND 19 T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, TO REQUIRE OPERATIONS FOR THE DRILLING OF SUCH WELLS MUST BE COMMENCED NOT LATER THAN DECEMBER 5, 2021.

ORDER 40-2020

Docket No. 46-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 109-2019 is hereby amended to provide that drilling operations must commence not later than December 5, 2021.

BOARD ORDER NO. 40-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE ASSUMPTION OF THE PLUGGING AND RECLAMATION RESPONSIBILITIES FOR THE ORPHANED GARTNER DENOWH 31-7H, API # 25-083-21846, LOCATED IN THE NW¼NE¼ OF SECTION 7, T23N-59E, RICHLAND COUNTY, MONTANA BY DIAMOND HALO GROUP, LLC, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 41-2020

Docket No. 50-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Christy Strevey, CEO, by telephone, appeared as a witness for Diamond Halo Group, LLC (Diamond Halo).
3. The Board and its staff reviewed Diamond Halo's pending orphan well change of operator request.
4. The Board determined that Diamond Halo's proposed plugging and reclamation bond of \$10,000 to cover its one injection well was adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

BOARD ORDER NO. 41-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, T28N-R58E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE MULDER 22-15 #1H, MULDER 22-15 #2H, MULDER 22-15 #3H, AND MULDER 22-15 #4H WELLS.

ORDER 42-2020

Docket No. 9-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 16-2011. Additional wells were authorized within the temporary spacing unit by Board Order 9-2019. Applicant has completed the Mulder 22-15 #1H, Mulder 22-15 #2H, Mulder 22-15 #3H, and Mulder 22-15 #4H wells as producing wells.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 15 and 22, T28N-R58E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Mulder 22-15 #1H, Mulder 22-15 #2H, Mulder 22-15 #3H, and Mulder 22-15 #4H wells.

BOARD ORDER NO. 42-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, T28N-R58E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE MULDER 22-15 #1H, MULDER 22-15 #2H, MULDER 22-15 #3H, AND MULDER 22-15 #4H WELLS.

ORDER 43-2020

Docket No. 10-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 42-2020. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 15 and 22, T28N-R58E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Mulder 22-15 #1H, Mulder 22-15 #2H, Mulder 22-15 #3H, and Mulder 22-15 #4H wells.

BOARD ORDER NO. 43-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 12 AND 13, T25N-R59E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE LONESTAR 12-13 #1H AND LONESTAR 12-13 #2H WELLS.

ORDER 44-2020

Docket No. 12-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 380-2011. Additional wells were authorized within the temporary spacing unit by Board Order 8-2019. Applicant has completed the Lonestar 12-13 #1H and Lonestar 12-13 #2H wells.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 12 and 13, T25N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Lonestar 12-13 #1H and Lonestar 12-13 #2H wells.

BOARD ORDER NO. 44-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 12 AND 13, T25N-R59E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE LONESTAR 12-13 #1H AND LONESTAR 12-13 #2H WELLS.

ORDER 45-2020

Docket No. 13-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 44-2020. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 12 and 13, T25N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Lonestar 12-13 #1H and Lonestar 12-13 #2H wells.

BOARD ORDER NO. 45-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 316-2014 TO AUTHORIZE THE DRILLING OF UP TO THREE HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 23 AND 24, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SUCH WELLS MUST BE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 46-2020

Docket No. 14-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 316-2014.
3. Evidence presented at the time of the hearing supports the drilling of up to three horizontal Bakken/Three Forks interval wells in Sections 23 and 24, T25N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 316-2014 is amended to authorize the drilling of up three horizontal Bakken/Three Forks Formation wells in the temporary spacing unit comprised of all of Sections 23 and 24, T25N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof, provided that operations for the drilling of such wells must be within one year of the date of this order.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within 90 days of successful completion of the proposed well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 210-2014 AND 320-2014 TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 2, 11, AND 14, T24N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SUCH WELLS MUST BE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 47-2020

Docket No. 15-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 210-2014 and 320-2014.
3. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Sections 2, 11, and 14, T24N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 210-2014 and 320-2014 are amended to authorize the drilling of up four horizontal Bakken/Three Forks Formation wells in the temporary spacing unit comprised of all of Sections 2, 11, and 14, T24N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof, provided that operations for the drilling of such wells must be within one year of the date of this order.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within 90 days of successful completion of the proposed well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ROLAND OIL AND GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE DELINQUENT PRODUCTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FAILURE TO APPEAR AT THE AUGUST 6, 2020, PUBLIC HEARING.

ORDER 48-2020

Docket No. 51-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Mr. John Harper, President of Roland Oil and Gas, recently passed away. On August 27, 2020, Curtis Harper, son of John Harper, began working with Board staff on getting delinquent production reports filed. Since that time, reports have been filed, but still have errors that need corrected.
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 51-2020 is continued until the December 3, 2020, public hearing.

BOARD ORDER NO. 48-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ZEIDERS BROS. OIL & GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS RUDOLPH HAYNIE 1-5 WELL, API # 25-055-21207, LOCATED IN THE SE¼NE¼ OF SECTION 5, T22N-R47E, MCCONE COUNTY, MONTANA BEFORE THE OCTOBER 1, 2020, PUBLIC HEARING AND PAY THE OUTSTANDING FINE IN THE AMOUNT OF \$10,500, AS REQUIRED BY BOARD ORDER 3-2020.

ORDER 49-2020

Docket No. 52-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Mr. John Zeiders, Manager of Zeiders Bros. Oil & Gas Company, LLC, submitted a letter to Board staff prior to the hearing. Mr. Zeiders reaffirmed his commitment to plugging the Rudolph Haynie #1-5, but due to circumstances related to COVID-19, the timeline for being able to do so has been delayed. Mr. Zeiders requested at a minimum that the Board delay the imposition of the fine until the December 3, 2020, public hearing.
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 52-2020 is continued until the December 3, 2020, public hearing.

BOARD ORDER NO. 49-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ANG HOLDING (USA) CORP. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$1,860.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS ANG HOLDING (USA) CORP. TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 50-2020

Docket No. 54-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Charles Selby telephoned in as a witness for ANG Holding (USA) Corp. (ANG).
3. ANG has not filed production reports since November 2019. The last communication with ANG prior to this hearing was on May 21, 2020.
4. The outstanding fine for delinquent production amounts to \$1,860.
5. Mr. Selby testified at the hearing that there are no employees left with company to file reports and that some of the properties had been sold to other operators.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that ANG come into compliance with reporting requirements and submit a letter to Board staff explaining the ownership status of its wells by the December 3, 2020, public hearing.

IT IS FURTHER ORDERED that Docket 54-2020 is continued until the December 3, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE DRAWINGS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$220.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS DRAWINGS, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 51-2020

Docket No. 56-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Drawing, LLC (Drawings).
3. Drawings has not filed production reports since December 2019. The letter sent to Drawings for delinquent reports received August 8, 2020.
4. The outstanding fine for delinquent production amounts to \$220.
5. In the last five years, Drawings has been fined six separate times for delinquent production reporting, three of which were docketed for show cause, and fined once for failure to appear at a public hearing.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Drawings is fined \$1,000 for failure to appear at the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that Drawings must come into reporting compliance and pay its fines by October 29, 2020, or it must immediately shut-in its wells for illegal production per ARM 36.22.1245.

IT IS FURTHER ORDERED that by the Board that Drawings is to appear at the December 3, 2020, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the October 1, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY HYDROCARBONS, MERRIL&CAROL HAWLEY DBA TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$420.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HAWLEY HYDROCARBONS, MERRIL&CAROL HAWLEY DBA TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 52-2020

Docket No. 57-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley Hydrocarbons, Merrill&Carol Hawley Dba (Hawley Hydrocarbons).
3. Hawley Hydrocarbons has not filed production and injection reports since December 2019. The letter sent to Hawley Hydrocarbons for delinquent reports was returned unclaimed.
4. The outstanding fine for delinquent reports amounts to \$420.
5. The delivery of the certified notice of this hearing was attempted on September 11, 2020, but no authorized recipient was available.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Hawley Hydrocarbons is fined \$1,000 for failure to appear at the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that by the Board that Hawley Hydrocarbons is to appear at the December 3, 2020, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the October 1, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY OIL COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$900.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HAWLEY OIL COMPANY TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 53-2020

Docket No. 58-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley Oil Company (Hawley Oil).
3. Hawley Oil has not filed production and injection reports since January 2020. The letter sent to Hawley Oil for delinquent reports was delivered August 10, 2020.
4. The outstanding fine for delinquent reports amounts to \$900.
5. The delivery of the certified notice of this hearing was received on September 8, 2020.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Hawley Oil is fined \$1,000 for failure to appear at the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that by the Board that Hawley Oil is to appear at the December 3, 2020, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the October 1, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY-NORTHRUP TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$160.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HAWLEY-NORTHRUP TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 54-2020

Docket No. 59-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley-Northrup.
3. Hawley-Northrup has not filed production reports since December 2019. The letter sent to Hawley-Northrup for delinquent production was delivered on August 14, 2020.
4. The outstanding fine for delinquent production amounts to \$160.
5. The delivery of the certified notice of this hearing was attempted on September 11, 2020, but no authorized recipient was available.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 54-2020

Order

IT IS THEREFORE ORDERED by the Board that Hawley-Northrup is fined \$1,000 for failure to appear at the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that by the Board that Hawley-Northrup is to appear at the December 3, 2020, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the October 1, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Steven Durrett, Chairman

\_\_\_\_\_  
Paul Gatzemeier, Vice-Chairman

\_\_\_\_\_  
Mac McDermott, Board Member

\_\_\_\_\_  
Linda Nelson, Board Member

\_\_\_\_\_  
Dennis Trudell, Board Member

\_\_\_\_\_  
Joseph Michael Weber, Board Member

\_\_\_\_\_  
Corey Welter, Board Member

ATTEST:

\_\_\_\_\_  
Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE SHADWELL RESOURCES GROUP, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADMINISTRATIVE ORDER 3-A-2020 ISSUED AT THE JUNE 24, 2020, BUSINESS MEETING SHOULD NOT REMAIN IN EFFECT FOR THE VELMA SWD 1-10H WELL, API # 25-083-22531, LOCATED IN THE NW¼NW¼ OF SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA. IT WAS ORDERED THAT SHADWELL RESOURCES GROUP, LLC MUST IMMEDIATELY CEASE OPERATIONS AT THE VELMA SWD 1-10H WELL AND THAT NO ADDITIONAL FLUIDS BE TRANSPORTED TO THE LOCATION UNTIL VIOLATIONS ARE REMEDIED, COMPLIANCE IS CONFIRMED BY INSPECTION, AND THIS ORDER IS LIFTED BY THE ADMINISTRATOR. SHADWELL IS SUBJECT TO A \$250 FINE FOR EACH DAY AFTER AUGUST 24, 2020, THAT THE VIOLATIONS REMAIN UNRESOLVED.

ORDER 55-2020

Docket No. 41-2020

Report of the Board

The above entitled cause came on regularly for hearing on October 1, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Shadwell Resources Group, LLC (Shadwell).
3. Administrative order 3-A-2020, issued on June 25, 2020, directed Shadwell, the bonded operator, to immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator. The issues to be remedied include two spills that need to be cleaned up, overflowing dumpster with used filter socks, lack of weed control, open containers with oily fluids, and a leaking tank.
4. Board order 34-2020, issued on August 6, 2020, subjected Shadwell to a \$250 fine for each day after August 24, 2020 that the violations at the Velma SWD 1-10H remain unresolved.
5. At the time of hearing, the outstanding field compliance issues remain unresolved and the total fine amount is \$9,250.

BOARD ORDER NO. 55-2020

6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS FURTHER ORDERED that Shadwell is fined \$1,000 for failure to appear at the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that the \$250 fine for each day after August 24, 2020, that the violations remain unresolved is immediately doubled to \$500 for each day after October 1, 2020, that the violations remain unresolved. The fine will remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED by the Board that Docket 41-2020 is continued until the December 3, 2020, public hearing.

BOARD ORDER NO. 55-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of October, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant